



**Analysis of Assembly Bill 2012-Amended: Orthotic and Prosthetic Devices**

Estimated Monthly Premium Impact of SB 931

	<b># of Responses</b>	<b>Median Estimate</b>	<b>Highest Estimate</b>	<b>Lowest Estimate</b>
Individual (standard)	10	\$0.18	\$1.00	\$0.12
Individual (optional)	0 -- --			
Group (standard)	14	\$0.24	\$1.73	\$0.11
Group (optional)	3	\$0.11	\$22.29	\$0.11

Source: Bureau of Insurance Survey of Insurance Providers, 2007

- Other states that have reviewed similar mandates have estimated the premium impact on the consumer to be between \$0.12 and \$0.35 per premium per month. Estimates for Virginia were even lower; with per premium per month impacts between \$0.02 and \$0.08.
- Several of these studies also found a potential cost savings in both private and public sector health insurance from reduced spending on associated complications, physical rehabilitation, and coverage provided under State Medicaid programs.
- Costs to insurance companies will most likely increase as a result of providing increased coverage for prosthetic devices. However, establishing a baseline level of coverage has the potential to reduce costs associated with individual coverage appeals related to current restrictions on prosthetic care.

**Key Findings**

- Mandating coverage defined in SB 931 will establish a minimum level of coverage for individuals requiring prostheses and increase individual access to certain device types.
- The availability of prosthetic devices can improve the physical and psychological functioning of persons with amputations, injuries, and congenital physical disabilities by enabling them to exercise and perform other activities of daily life.
- In addition, most amputees with prostheses return to some form of work and show a reduction in secondary conditions that can result from their disability.
- Mandating this benefit is not expected to have an impact on an individual demand for prosthetic devices.
- Given that the population affected by this mandate would be under 65, the potential social impact of the proposed mandate would be the ability of individuals to more fully contribute to society.
- Qualitative data suggests that use of prosthetic devices increases the quality of life for the user. This has the potential to reduce the cost of additional complications or amputations, as well as the incidence of compounding disease related to increased sedentary lifestyle.

For more information about our efforts in the state, contact the Advocacy Department at 202/742-1885 or [state@amputee-coalition.org](mailto:state@amputee-coalition.org). To get involved in our federal campaign, contact us at 202/742-1886 or [federal@amputee-coalition.org](mailto:federal@amputee-coalition.org).



## Advocacy

### Taking Action and Making Change!

#### **Social Need Consistent With Role of Insurance**

- Based on the premise that the role of health insurance is to promote public health, encourage the use of preventive care, and to provide protection from catastrophic financial expenses for unexpected illness or injury, the proposed mandate appears consistent with the role of health insurance.
- Prosthetic devices are restorative in nature, and often allow a user to regain a level of social functionality comparable to their pre-amputation condition.
- While these devices do not treat the initial reason for the amputation, they may prevent additional medical complications.

#### **Cost of Secondary Complications**

Without prosthetic care, many individuals will lead a more sedentary lifestyle which may lead to secondary complications depending on procedures used and the patient's lifespan, including:

- costs of medications for diabetes-related complications;
- instances of heart attack due to peripheral vascular disease, for which surgical treatment and hospitalization can cost from \$75,000 to \$200,000;
- development of knee or hip problems from being unable to walk correctly, for which surgery can cost from \$80,000 to \$150,000 or more; and
- crutch overuse leading to wrist, elbow and shoulder problems, which can cost between \$7,500 and \$25,000.

Mandating coverage may reduce the overall costs of health care due to a reduction in secondary complications.

**Prepared for: Virginia Special Commission on Mandated Health Benefits**

**Prepared by: Joint Legislative Audit Review Commission, 2007**

For more information about our efforts in the state, contact the Advocacy Department at 202/742-1885 or [state@amputee-coalition.org](mailto:state@amputee-coalition.org). To get involved in our federal campaign, contact us at 202/742-1886 or [federal@amputee-coalition.org](mailto:federal@amputee-coalition.org).